



Director of
Central
Intelligence

OCPAS/CIG
CY'S 477-486

~~Top Secret~~

25X1

National Intelligence Daily

Monday
19 November 1984

~~Top Secret~~

CPAS NID 84-270JX

19 November 1984

Copy 486

25X1


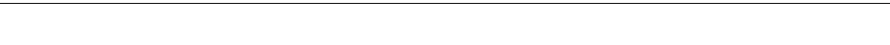
Page Denied

Top Secret



25X1

Contents

Romania: Party Congress Opens	1
	
Italy: Government Tensions	3
Bolivia: Siles's Options Narrowing	4
Jamaica: Seaga Losing Support	5
Notes	
France-Libya-Chad: Growing French Concern	6
	
USSR: Chernenko Discusses the Economy	7
USSR-US: Chernenko Interview	7
Chile: Mounting Opposition to Government Crackdown	8
Austria: New Export Controls Planned	8
In Brief	9
Special Analyses	
Philippines: Implications of a Leadership Crisis	10
West Germany: Commitment to <i>Ostpolitik</i>	12
Poland: Popieluszko Affair Continues	14

25X1

25X1

25X1

Top Secret



19 November 1984

25X1

Top Secret**ROMANIA:****Party Congress Opens**

The congress opening today will be devoted largely to praising President Ceausescu, and its personnel and policy decisions are unlikely to relieve—and in fact could aggravate—growing social and economic strains. [redacted]

25X1

Some party officials believe a move may be made either to elevate Ceausescu to a new position such as party president or to elect him party leader for life, [redacted] His controversial wife would become his deputy. Many other high-level personnel changes are rumored, including the promotion of Ceausescu's son to the party leadership. [redacted]

25X1

25X1

Despite reservations among some Romanian officials about current economic policies, little change in direction is evident in the economic plan for 1986 through 1990 that the congress will ratify. It calls for rapid reduction of foreign debt through increased exports, high economic growth, and only marginal improvement in consumer welfare. The congress follows Romania's second consecutive below-average harvest. [redacted]

25X1

Comment: Ceausescu regularly changes top officials to prevent potential rivals from building a power base. Further promotion of his personality cult and his relatives, however, will only heighten resentment against him. [redacted]

25X1

Bucharest has been reducing its foreign debt since 1981 by arbitrarily slashing imports. This in turn has contributed to bottlenecks in the economy, slower growth, and a drop in consumer welfare. The targets of the new plan are unrealistic because of poor prospects for growth and exports, and Romania will face increasing difficulties in covering its debt service payments. Continuing economic problems will add to popular discontent. [redacted]

25X1

Ceausescu's problems, nonetheless, do not now appear serious enough to threaten his position because of his control over the powerful security apparatus. He will come under increasing pressure, however, to modify his economic policies and may be tempted to move closer to the Soviets to get economic assistance. [redacted]

25X1

25X1

25X1

Top Secret

25X1

19 November 1984

Page Denied

Top Secret

25X1

ITALY:

Government Tensions

The coming vote on whether to lift Foreign Minister Andreotti's parliamentary immunity may determine whether the Craxi government will fall. [redacted]

25X1

The vote is expected to take place Wednesday or Thursday. Andreotti, whose policies are unpopular with coalition Atlanticists, could face criminal charges for allowing a major petroleum scandal while Minister of Defense in 1974. The governing parties have told their parliamentary delegations they are free to vote their consciences, and last week the press reported that sentiment against Andreotti was rising. [redacted]

25X1

25X1

25X1

Comment: [redacted]

[redacted] Christian Democratic leader DeMita and the heads of most of the other coalition parties are opposed to a government crisis. If private soundings early this week suggest that a vote will go against the Foreign Minister, DeMita and his colleagues probably will try to find a way for Andreotti to leave the Cabinet gracefully without endangering the government. [redacted]

25X1

25X1

25X1

Top Secret

25X1

Top Secret

25X1

BOLIVIA:**Siles's Options Narrowing**

President Siles is under increasing pressure to cut short his four-year term, which ends in 1986, or face a military coup. [redacted]

25X1

The US Embassy reports that leftist Army officers loyal to Siles have informed him that they will not support him in the event of a coup.

25X1

Despite the government's announcement last Tuesday of a strongly pro-labor economic package, the country's largest union has begun an indefinite general strike. Union-supported price controls have already caused food shortages. In addition, foreign economic support has eroded since the government—responding to labor demands—suspended servicing on its foreign debt and issued decrees that have reduced profitability of foreign investments [redacted]

25X1

To resolve the impasse between Siles and his opponents, the Catholic Church has initiated "conciliation talks" involving all the major political parties. [redacted]

25X1

Comment: Siles has depended on the loyalty of the leftist officers to forestall coup attempts by conservative forces. Without this support, and with growing dissension within his inner circle, the President may decide to accept the [redacted] recommendation that elections be advanced to mid-1985. [redacted]

25X1

25X1

Such a decision would relieve some of the pressure on Siles, but the economic situation will continue to deteriorate if he fails to implement austerity measures. Accelerating inflation, estimated to reach 1,200 percent by the end of the year, will decrease production and further complicate business transactions. If foreign commercial bankers become convinced that political disruption will be prolonged, they may foreclose Bolivian assets. [redacted]

25X1

Top Secret

25X1

Top Secret

25X1

JAMAICA:**Seaga Losing Support**

A recent poll indicates that popular support for Prime Minister Seaga is at a record low, which probably will encourage opposition leader Manley to move gradually toward more confrontational tactics. [redacted]

25X1

The US Embassy reports that a survey in September by Jamaica's respected pollster Carl Stone shows 38 percent of the respondents would vote for Manley's People's National Party and 26 percent for Seaga's Jamaica Labor Party, with the remainder uncommitted. Stone interprets this as providing a 59-to-41-percent lead for Manley's party. The poll also revealed, however, that nearly half of the respondents prefer waiting until 1987 or 1988 to hold new elections.

25X1

Seaga's victory last December entitled him to a new five-year term. The opposition party boycotted that election and claims Seaga's right to govern will expire next year, at the end of the term he won in 1980.

25X1

Comment: The poll's results—especially the lack of pressure for calling elections now—will stiffen Seaga's determination to stave off the opposition's demands for a new vote, and he will continue to hope for economic recovery to help his political standing. The outlook is bleak, however, for Jamaica's vital exports—bauxite/alumina, sugar, and bananas.

25X1

Manley's party, plagued by financial and organizational problems, so far has placed a policy of restraint to regain middle-class support above pressing for a new election. Despite mounting demands within his party, Manley probably recognizes that public opinion is not yet receptive to an aggressive drive to force elections soon.

25X1

By next spring, however, he probably will shift to more confrontational tactics to avoid a loss of credibility and to exploit the deterioration in Jamaica's economy, especially if Seaga's popularity remains low.

25X1

Top Secret

25X1

Page Denied

Top Secret

25X1

FRANCE-LIBYA-CHAD: Growing French Concern

Elements of a Libyan tank company and a mechanized infantry company, which have evaded detection since the Libyan withdrawal was supposed to have been completed, deployed to the Fada area over the weekend, [REDACTED]

25X1

[REDACTED] Press reports say that the French renewed reconnaissance flights over northern Chad yesterday and that Defense Minister Hernu and Chief of Staff Lacaze have left for N'Djamena. [REDACTED]

25X1

25X1

Comment: The meeting last Thursday between French President Mitterrand and Libyan leader Qadhafi apparently has had little effect on Libyan resolve to keep a military presence in northern Chad. Hernu and Lacaze may seek to persuade Mitterrand to take a stronger stand against Libyan violations of the withdrawal agreement. They have long been more suspicious of Qadhafi than Foreign Minister Cheysson and others, who have recommended giving the Libyans the benefit of the doubt. [REDACTED]

25X1

25X1

25X1

Top Secret

25X1

Top Secret

25X1

USSR: Chernenko Discusses the Economy

General Secretary Chernenko told the Politburo last week that the economy had grown more slowly than planned during 1981-82 but had since developed "more dynamically." He said that targets in key areas for next year had been set higher than the average growth for the first four years of the current five-year plan. He stated that the fuel and energy, ferrous metallurgy, and machine-building sectors were being given priority. He emphasized the importance of a rising standard of living to help increase labor productivity and said the food program would be given top priority. He also said Soviet defense capabilities would be strengthened. []

25X1

Comment: Chernenko offered no new formulas for boosting economic growth but again called for improvements in productivity, better management practices, stricter conservation measures, and more innovation and technological change. The stress on developing ferrous metals and machine building, together with the decisions already taken with respect to the food and energy programs, would stretch scarce investment resources thin. His characterization of defense needs is not unusual and does not indicate that any recent leadership decisions have either boosted or slowed defense spending. []

25X1

USSR-US: Chernenko Interview

In a written reply to questions from NBC News on Friday, General Secretary Chernenko said that if Washington's professed desire to seek solutions on arms limitations does not remain "just words," it will be possible to begin normalizing relations. He emphasized the need for "practical" steps such as an agreement to prevent the militarization of space, a freeze on nuclear weapons, and the resumption of the Comprehensive Test Ban negotiations. While endorsing a US-Soviet summit in principle, he said that at the present time such a meeting would not yield the expected results. []

25X1

Comment: Chernenko's responses echo the moderate tone of his 17 October *Washington Post* interview and apparently are intended to press the US further to make concrete proposals on arms control issues. The timing of the interview appears intended to supplement private Soviet probes seeking clarification of Washington's proposal for umbrella talks. Chernenko suggests that Moscow will hold a summit in abeyance pending US moves on arms control that address specific Soviet concerns. []

25X1

Top Secret

25X1

Top Secret

25X1

CHILE: Mounting Opposition to Government Crackdown

Catholic Archbishop Fresno yesterday released a pastoral letter strongly condemning the state of siege and urging participation in the church-sponsored national day of prayer on 23 November. He also told US Embassy officials that he is increasingly disenchanted with Minister of Interior Jarpa, who has criticized church officials. Meanwhile, opposition Christian Democratic leaders visited a slum recently raided by government troops to encourage support for antiregime demonstrations on 27 and 28 November.

25X1

Comment: The pastoral letter will further damage the church's relations with the Pinochet regime, as will the growing distance between the Archbishop and Jarpa—the government's leading moderate. The government so far has acted primarily against suspected leftist agitators, but the Christian Democrats risk provoking Pinochet if they too obviously organize antiregime protests. An increase in terrorist violence would cause the government to prolong the state of siege.

25X1

25X1

AUSTRIA: New Export Controls Planned

Vienna plans to curb reexports by Austrian firms of US-controlled equipment to the Warsaw Pact. Plans include negotiating an extension of the current US-Austrian customs agreement and asking Parliament to adopt amendments to the Foreign Trade Law to provide for sanctions. Vienna also is considering adding computers to the list of equipment that requires government permission for export.

25X1

Comment: This is Vienna's first major effort to stop illegal sales of US technology to the Warsaw Pact. The key to its success will be the measures it takes under an expanded customs agreement with the US. It is questionable, however, to what extent Vienna will enforce new measures to stem the substantial flow of equipment illegally being acquired through Austria.

25X1

Top Secret

25X1

Top Secret

25X1

In Brief**Middle East**

- Libyan leader Qadhafi made unexpected visit to **Malta** Saturday . . . almost certainly related to role of Maltese-based **Libyans** in aborted plot against former Libyan Prime Minister in Cairo last week . . . Qadhafi probably conducting personal investigation of bungled operation. [redacted] 25X1
- Deputy Foreign Ministers of **Iran, Syria, Algeria, and Libya** convene today in Tripoli . . . Iranians hoping to secure agreement to regular meetings at foreign ministers' level, but others, especially Algerians, likely to resist such a commitment. [redacted] 25X1
- Senior **Syrian** officials, led by Vice President Khaddam, in Tehran over the weekend for talks with **Iranian** counterparts . . . focus probably on bilateral frictions over developments in **Lebanon**, but discussions may have included mutual problems posed by improved **Jordanian-Egyptian-Iraqi** ties. [redacted] 25X1

South Asia

- [redacted] **Sudanese** President Nimeiri plans visit to southern regional capital of Malakal today . . . may announce economic aid package . . . part of recent conciliation effort intended to undermine insurgents. [redacted] 25X1

USSR

- Recently signed 15-year agreement between **USSR** and **Cuba** stresses aid to Cuban sugar industry, energy, and mineral development . . . fails to satisfy Havana's desire to emphasize new technologies . . . but helps reduce bilateral tensions. [redacted] 25X1

25X1

Top Secret

25X1

Top Secret

25X1

Special Analysis**PHILIPPINES:****Implications of a Leadership Crisis**

If President Marcos becomes incapacitated as a result of his current health crisis, key members of his inner circle will move to protect their interests, tempting them to circumvent the constitutional succession process. Imelda Marcos and others may seek to align themselves with General Ver, whose loyalists—despite his leave of absence as Chief of Staff—continue to control the principal military commands in the capital. A coup resulting from a succession crisis is unlikely in the near term, but the military might act if senior officers become convinced that peace and order in Manila are threatened.

25X1

In the event that Marcos dies or is incapacitated, the constitution provides for the Speaker of the National Assembly—who is a close associate of Imelda Marcos—to assume power for as long as 60 days until a presidential election can be held. The mechanism is untried, however, and Marcos's unwillingness to designate a successor makes a smooth transition to a durable new leadership unlikely.

25X1

If Marcos suffers medical complications, he could continue to function at a diminished capacity for an extended period of time. In such a case, succession jockeying probably would develop, as it did when Marcos was isolated in the Presidential Palace for four months after his illness in 1983.

25X1

25X1

25X1

25X1

Maneuvering by Inner Circle

Marcos's incapacitation could lead key members of his inner circle—chiefly Imelda Marcos and Ambassador to the US Romualdez—to conceal his condition in order to gain maneuvering room for a succession struggle. Moreover, the close relationship between the Speaker and Marcos's family increases the likelihood of tampering with the succession process. If Mrs. Marcos determines that she cannot win support from the inner circle and the ruling party, she could try to seize power unconstitutionally—a move certain to spark violent public protest.

25X1

On the other hand, if Marcos died, the succession mechanism would be more likely to prevail. Rival members of the inner circle would likely seek to build coalitions from among the ruling party and the opposition.

25X1

*continued***Top Secret**

25X1

Top Secret

25X1

Members of the inner circle, however, might not be able to depend on the support of the ruling party to deliver control of the government. Discipline in the party has steadily eroded since the assassination of Benigno Aquino last year, and many party leaders began to reassess their loyalties to Marcos after the party's poor showing in National Assembly elections last May. [REDACTED]

25X1

Military Wild Card

The military traditionally has kept its distance in political affairs and would be unlikely to oppose a legal successor unless peace and order were seriously threatened. [REDACTED]

25X1

[REDACTED] military commanders could declare an emergency. Widespread civil unrest would almost certainly force the military to assume the role of principal power broker. [REDACTED]

25X1

25X1

The current unsettled state of the Armed Forces leadership is the most unpredictable factor in a potential leadership crisis. [REDACTED]

25X1

25X1

25X1

The actions of Acting Chief of Staff Ramos could be critical. [REDACTED]

25X1

[REDACTED] His potential role in a succession struggle probably would be influenced by the wishes of both opposition leaders and ruling party officials, such as Prime Minister Virata. He is much less likely to be influenced by Mrs. Marcos. [REDACTED]

25X1

The prospect of military intervention in defense of the constitution probably would come from senior officers—possibly with the blessings of Ramos. Less likely, but still possible, is that some unknown group of junior officers might feel compelled to act, especially if they believed that Mrs. Marcos intended to effect a dynastic succession. [REDACTED]

25X1

25X1

Top Secret

25X1

Secret

25X1

Special Analysis

WEST GERMANY: Commitment to Ostpolitik

The visits by West German Foreign Minister Genscher to Warsaw beginning Wednesday and to Prague next month are primarily an attempt to keep momentum behind Bonn's dialogue with the East. Since Chancellor Kohl's government came to power in October 1982, it has sought to prove that a conservative government can work with the nations of the Warsaw Pact. It has intensified these efforts following INF deployments. Bonn views Genscher's trips as especially important because of the postponement of trips to West Germany by the East German and Bulgarian leaders.

25X1

The Kohl government's Ostpolitik bears a strong resemblance to that of Social Democratic governments in the past. This is evident especially in its rationale that trade ties and dialogue help reduce East-West tension while drawing Eastern Europe away from the Soviets. By coming after the US election, the visits give the Kohl government an opportunity to restate its own—and presumably the common Western—interest in arms control.

25X1

The Legacy of World War II

Genscher's hosts have complained about occasional remarks by West German officials questioning the postwar borders in Eastern Europe and supporting ethnic German minorities in East European countries. Bonn maintains that the borders are temporary until a peace treaty officially ends World War II. On a more practical level, however, West German officials—Genscher in particular—repeatedly state that their country has no intention of forcing border revisions.

25X1

West German promotion of increased emigration by ethnic Germans also has generated virulent reactions by Czechoslovakia and Poland, especially when West German politicians promote the concept at meetings of German expellees. Prague briefly recalled its Ambassador after former Federal President Carstens addressed a rally of Sudeten Germans in June. Warsaw threatened to cancel Genscher's invitation after Kohl addressed a meeting of German refugees earlier this month.

25X1

*continued***Top Secret**

25X1

Top Secret

25X1

Economic Relations

25X1

Even so, preparations for the visits, particularly the one to Warsaw, have been dominated by economic topics. [redacted]

25X1

[redacted] the Poles hoped that Moscow would be more approving of the trip if it yielded concrete economic results.

Consequently, the Poles have pressed Bonn for progress on debt talks by the Paris Club of creditors and on the Polish application for membership in the IMF. [redacted]

25X1

[redacted] Bonn supports Warsaw's application and some compromises at the Paris Club talks, West Germany and Poland have agreed thus far only to reestablish bilateral economic commission meetings and to extend an agreement on economic cooperation. The project to aid Polish farmers, sponsored in part by the West German Catholic Church, is likely to be discussed. [redacted]

25X1

25X1

Although economic cooperation and trade are also likely topics in Prague, bilateral trade is of less interest to Bonn. Czechoslovakia accounts for less than 1 percent of West Germany's total trade. [redacted]

25X1

West Germany has a much greater interest in environmental cooperation. Although both countries agreed to establish a commission on ecological cooperation, Bonn continues to express concern over cross-border pollution by Czechoslovak industry. [redacted]

25X1

The Intra-German Angle

The continued presence of East German refugees in Bonn's diplomatic posts in Warsaw and Prague is unlikely to occupy much of Genscher's discussions. In each case, the host government has remained in the background, letting Bonn and East Berlin negotiate a solution. [redacted]

25X1

On the other hand, Genscher probably will attempt to assuage Polish and Czechoslovak concerns regarding intra-German relations. Both countries have faithfully followed Moscow's lead in attacking alleged German "revanchism" as the goal of Bonn's intra-German policy. [redacted]

25X1

Top Secret

25X1

Top Secret

25X1

Special Analysis

POLAND

Popieluszko Affair Continues

One month after the murder of Father Popieluszko, Polish authorities are divided on whether to place responsibility solely on a few members of the secret police or on a larger number of conspirators intent on weakening Premier Jaruzelski. If Jaruzelski was the target—and many Poles seem to think he was—his leadership role does not appear to have been shaken by the incident. But he is more vulnerable, and his efforts to reach an accommodation with Polish society have been placed on hold.

25X1

Even Foreign Minister Olszowski—generally thought to be part of the pro-Soviet faction of the party—believes that the Popieluszko affair was a device to challenge Jaruzelski. In a recent conversation with his Finnish counterpart, Olszowski claimed the secret police knew that Popieluszko would soon cease to be a problem because he was slated for an assignment in the Vatican.

25X1

Jaruzelski now is more vulnerable and open to recrimination from all sides, but he still appears very much in charge. At the Central Committee session on 26-27 October, he gained unanimous support for a resolution condemning "terror tactics" by government authorities and calling for a rapid, comprehensive investigation of the murder. Subsequently, he assumed direct oversight of the party organization within the security apparatus, undercutting hardliner Miroslaw Milewski.

25X1

The visit of West German Foreign Minister Genscher this week will help Jaruzelski show that his policy of improving ties with the West remains on track.

25X1

The willingness to investigate the sacrosanct secret police appears to have enhanced Jaruzelski's image as a moderate among some church and Solidarity leaders. His continued pursuit of the investigation, however, poses some delicate choices. Efforts to purge opponents will evoke resistance from domestic hardliners and probably the Soviets, while stopping short would erode whatever public credibility he has gained.

25X1

Jaruzelski's recent visits to Hungary, Czechoslovakia, and East Germany gave him an opportunity to present his case, to give assurances about the Polish party's leading role, and perhaps to seek advice.

25X1

*continued***Top Secret**

25X1

Top Secret

25X1

The Church and Solidarity

Many church leaders believe that the murder was aimed at Jaruzelski and his policy of establishing a dialogue with the church. The affair, however, may sharpen differences between Cardinal Glemp, who seems even more committed to working with Jaruzelski, and younger priests, who seem inclined to become more involved in antiregime activities. [redacted]

25X1

Glemp, whose handling of the affair also has been criticized by some in the episcopate, may press for a goodwill gesture by the government to bolster his moderate approach. Top-level episcopate meetings this week prior to Glemp's visit to Rome on 26 November will provide an opportunity to devise church strategy. [redacted]

25X1

The Popieluszko affair has invigorated opposition activity but has not resolved differences among Solidarity activists over strategy and tactics. Lech Walesa apparently hopes that the murder of the priest has created an atmosphere that improves the chances that the government will reopen a dialogue with Solidarity. Radical elements in the Solidarity leadership disagree and are advocating more active antiregime measures. [redacted]

25X1

Meanwhile, Walesa has given only grudging support to the self-proclaimed human rights monitoring groups that have sprung up in three cities, arguing that their focus is too narrow for Poland's needs. [redacted]

25X1

Outlook

Jaruzelski will be walking a political tightrope for the next several months. He wants to retain the image of a moderate to encourage better ties with the West and put church-state relations on a better footing. He will feel compelled, however, to restrict the activities of the new human rights groups and other opposition activists who seek to embarrass the government. [redacted]

25X1

The more vigorous the response of the opposition, the more Jaruzelski will feel the need to emphasize control, which in turn will undercut his effort to purge the security apparatus. His rivals would argue that they had been correct all along in demanding tough measures against the opposition and would press Jaruzelski on other contentious issues in order to undermine his authority. [redacted]

25X1

The next test of Jaruzelski's strength will occur at the Central Committee plenum, expected next month. [redacted]

25X1

Top Secret

25X1



Top Secret